



June 6, 2012

The Honorable Geoff Davis
Chairman
Subcommittee on Human Resources
Ways and Means Committee
United States House of Representatives
Room 1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Davis:

The American Public Human Services Association (APHSA) submits this letter for the record for the hearing held on May 17, 2012, entitled "State TANF Spending and Its Impact on Work Requirements." This written submission for the record is intended to both reinforce the remarks already submitted on behalf of our organization by Peter J. Palermino of Connecticut as well as respond to a number of points raised during the hearing.

The American Public Human Services Association is a bipartisan, nonprofit organization whose membership includes the nation's cabinet-level government human service executives from the states. APHSA also houses several affiliate organizations, whose members administer program-level operations in each state, including state TANF Directors.

First and foremost, APHSA encourages the Subcommittee to move forward with a five-year reauthorization of the TANF program. The last full reauthorization occurred over five years ago and expired last year. The Congress has extended that authorization until September 30, 2012. These short-term extensions are counterproductive and lead to uncertainty for states while prohibiting effective planning for service delivery.

As Congress has recognized, unemployment is a multifaceted problem and states need the flexibility to use TANF resources to address various issues that are the underlying components of unemployment in their jurisdictions. That flexibility coupled with reasonable means for ensuring accountability of the funds must be a part of the reauthorization.

During the Subcommittee's hearing several issues were raised that APHSA would like to address. First, on the issue of third-party spending and in-kind support being claimed for the purposes of meeting a state's maintenance of effort (MOE) requirement, we note that this practice has not only been understood to be permissible under TANF rules, but has been addressed in detail through guidance issued by the Administration for Children and Families for

claiming Emergency Contingency Funding during ARRA.¹ APHSA will be working with states to gather additional information on what portion of state spending claimed for the purpose of MOE is drawn from third-party spending or any form of in-kind support from private sources, and encourages the Subcommittee to work with us in developing this critical information before any decisions are made on the future of third-party MOE spending.

In 2010, when the TANF program was originally expected to be considered for a full reauthorization, APHSA's affiliate the National Association of State TANF Administrators (NASTA) developed an extensive set of recommendations intended to improve and strengthen TANF. The TANF administrators have recommended a number of additional possible credits beyond Caseload Reduction Credits (CRC) or Excess MOE (XMOE), such as an employment credit intended to recognize states' success in moving individuals into employment for extended periods of time or the ability to claim a special unemployment insurance credit in lieu of CRC and/or XMOE.²

Whether Congress decides to keep a modified version of the existing TANF performance measurement system or replace it with something new, there must be a recognition that the only way for individuals to find sustainable independence is through work. This is the underlying tenet on which TANF was created and continues to be at the heart of the work being done with clients. Yet, states are in agreement that TANF's performance evaluation system is problematic. The accounting for and verification of client hours has become increasingly burdensome for state TANF workforces and the data that this yields is increasingly less enlightening for the federal partners. APHSA is willing to work with the Subcommittee to develop a more workable and efficient system of performance evaluation.

TANF reauthorization should include a thorough reexamination of what states are being measured on and how. APHSA urges the Subcommittee to renew exploration of better ways to gauge states' progress not only in work engagement, but in achieving real outcomes for those served.

APHSA's policy priorities for gainful employment and independence include the following. Gainful employment and independence is one of four key outcomes APHSA has identified in its *Pathways* initiative, the Association's vision for a transformed human service system and for the outcomes such a system can help achieve.³

- Public policy must promote appropriate employment supports, economic development, employer incentives, and education and training that recognize the needs of low-income persons and assure they are on a sustainable path to economic independence.

¹ See HHS FAQ Document on the Emergency Contingency Fund section on Third Party Funds, http://www.acf.hhs.gov/programs/ofa/recovery/tanf-faq.htm#_%20id=

² NASTA, "Temporary Assistance for Needy Families: Recommendations for Reauthorization," December 2010, American Public Human Services Association

³ <http://www.aphsa.org/Policy/pathways.asp>.

- Measures that are used to hold state employment programs accountable must be based on appropriate outcomes that demonstrate genuine progress toward self-sufficiency and that fall within the purview and statutory authority of the states.
- Programs need to be aligned so that the proper combination of services and supports can be deployed on behalf of a client for the right time and the right duration. Assistance should be timely, comprehensive, targeted to each client's needs, and adjusted based on client progress and the impact of the assistance on desired outcomes.
- Governance frameworks for these programs must include collaboration within public agencies as well as transparent participation with community stakeholders, for example between public agencies and the employers and training providers in the community.
- Support programs such as food assistance, child care, health care, and housing must contribute toward employment and self-sufficiency. Assistance program policies must mitigate and ultimately remove the "cliff effect" that results from clients' success in wage progression and stability. Programs such as the Supplemental Nutrition Assistance Program (SNAP) must provide the necessary policy and administrative flexibility so that they more fully support a holistic approach to economic security and self-sufficiency.
- Public policy should continue to support state efforts to promote community and integrated employment for people with disabilities, as well as program alignment and braided funding models that enable the delivery of evidence-based employment models to individuals with disabilities.

If the TANF program is to be successful in the future, the states and the federal government need to work together as a team in addressing the problems of the unemployed or under-employed. Neither the states nor the federal government can tackle this issue alone. To that end, APHSA is ready to work with the Subcommittee and to bring the experiences and expertise of our members to bear on the problems with the current program.

On behalf of the state human service commissioners and TANF directors, APHSA thanks the Subcommittee for this opportunity to comment, and we look forward to working with you in the future.

Sincerely,



Tracy L. Wareing
Executive Director

Cc: Members of the Human Services Subcommittee